

Decision 16-12-055 December 15, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

DECISION GRANTING THE JOINT MOTION OF THE CALIFORNIA SOLAR INITIATIVE PROGRAM ADMINISTRATORS TO ESTABLISH A PROGRAM CLOSURE DATE FOR THE GENERAL MARKET PROGRAM OF THE CALIFORNIA SOLAR INITIATIVE

Summary

This decision grants the August 23, 2016 *Motion of the California Solar Initiative Program Administrators Requesting Approval of Program Closure Date for the California Solar Initiative General Market Program* (Motion). The Program Administrators are Pacific Gas and Electric Company, Southern California Edison Company, and Center for Sustainable Energy. The Motion requests that the Commission approve the date of December 31, 2019 as the fixed end date for completing all administrative tasks related to the California Solar Initiative General Market Program in all service territories. This proceeding remains open.

1. Background

The California Solar Initiative (CSI) General Market Program funds solar photovoltaics (PV) projects on existing homes, existing or new commercial,

agricultural, government and non-profit buildings.¹ The program funds these projects through upfront and performance based rebates.² The CSI General Market Program is administered by three Program Administrators: Pacific Gas and Electric Company, Southern California Edison Company, and Center for Sustainable Energy (on behalf of San Diego Gas & Electric). These Program Administrators request in their August 23, 2016 Motion for the Commission to adopt December 31, 2019 as the fixed end date for the CSI General Market Program so that they can properly account for and distribute the funds that will remain in the program.³

The Commission established the funding mechanism for the CSI General Market Program in Decision (D.) 06-08-028. The current structure for payments by the CSI General Market Program Administrators to the recipients of these funds, namely solar facilities, was also established by the Commission in D.06-08-028. This decision adopted a Performance-Based Incentive (PBI) payment structure for larger projects⁴ based on monthly reporting of actual output by the facility. Later, in D.15-12-023, the Commission approved the CSI General Market Program Administrators' January 27, 2015 *Petition for Modification of Decision 06-08-028*, which authorized modifications to the structure adopted in D.06-08-028.

¹ Additional information about the CSI General Market Program can be found at <http://www.gosolarcalifornia.ca.gov/about/csi.php>.

² Rebates can be requested on or before December 31, 2016, per § 2851(a)(1)(A) of the Pub. Util. Code. All code section references are to the Pub. Util. Code, unless otherwise indicated.

³ Motion at 3.

⁴ Currently, systems above 30 kilowatts are required to receive PBI in monthly payments over a two- to five-year period, per the updated CSI Program Handbook.

D.15-12-023 authorized the Program Administrators to accelerate the CSI's PBI payments by: (1) truncating the monthly PBI payments from five years to two years for new projects; and (2) transitioning existing projects with 24 to 48 months of monthly performance reporting to a lump sum buyout that would be calculated based on the historical performance of the project.⁵

In authorizing accelerated PBI payments, the Commission recognized that a uniform "fixed end date for PBI payments may be useful, and we expect to address this issue in 2016."⁶ The Commission explained that, in the absence of a fixed end date, the Program Administrators and many customers may likely find it difficult to calculate the final payment schedule.⁷

On September 6, 2016, the Office of Ratepayer Advocates filed a response in support of the Motion by the Program Administrators. No parties oppose this Motion.

We address the issue of a fixed end date for PBI payments below.

2. Discussion

2.1. Uniform Program End Date of December 31, 2019

The CSI General Market Program Administrators request in their August 23, 2016 Motion that the Commission establish a uniform end date for

⁵ Mature projects with more than 48 months of monthly payments could opt-in to receive a lump sum buyout. D.15-12-023, *Decision Granting the Petition for Modification of the Performance-Based Incentive Payment Structure by the Program Administrators of the California Solar Initiative*, December 21, 2015, Ordering Paragraph 2 at 9.

⁶ D.15-12-023, Conclusion of Law 3 at 9.

⁷ D.15-12-023, Conclusion of Law 3 at 9.

PBI payments across all service territories. The proposed uniform end date is December 31, 2019.⁸

In support of their request for a uniform end date across all service territories, the CSI General Market Program Administrators explain that, in the absence of an end date for the payments, reporting delays or delays in project completion could result in the Program going on indefinitely.⁹ The Program Administrators would essentially need to keep a staff trained and assigned to administer the program for an unknown amount of time into the future.¹⁰

Moreover, the Program Administrators explain that different end dates for each service territory would likely contribute to inefficient use of their shared resources and administrative funds.¹¹ The Program Administrators state that the suggested end date of December 31, 2019 is based on their estimate of the time the existing and projected funds will cover the operating costs for the program.

We find that the CSI General Market Program Administrators' proposed end date of December 31, 2019 is reasonable because it is based on the Program Administrators' projected date when program administrative funds will run out. The Program Administrators explain that, on or about December 31, 2019, the Program Administrators will likely have little or no funds left to administer the program. The Program Administrators further state that this end date also takes into consideration the length of the contract between the Program Administrators

⁸ Motion at 3.

⁹ Motion at 3.

¹⁰ Motion at 2-4.

¹¹ Motion at 3.

and Clean Power Research, which manages the Powerclerk website.¹² At this point in time, the Program Administrators anticipate renewing the contract for an additional two-year term.¹³

For all the reasons above, we find that a uniform end date promotes the goals of efficient resource sharing between the Program Administrators. Therefore, we adopt the request that the same date, December 31, 2019, apply to all service territories.

2.2. Acceleration of the 24-Month Minimum Reporting Requirement

The Program Administrators also request that the Commission authorize any PBI projects that are not on track to meet the 24-month minimum reporting requirement adopted in D.15-12-023 to receive a lump sum buyout 45 days prior to the proposed end date.¹⁴ The Program Administrators state that this 45-day period would provide sufficient time for the Program Administrators to perform final administrative tasks, such as re-issuing lost checks and resolving any lump sum buyout disputes, before the end date of December 31, 2019.¹⁵ The Program Administrators further state that the lump sum buyout would follow the process set forth in Section 3.3.1.1 of the CSI Program Handbook and that the buyouts

¹² The PowerClerk website is the online application system for the CSI General Market Program. Applicants use PowerClerk to create and submit a new application for incentive payments or check the status of an existing application.

¹³ Motion at 3. The contract is expected to be renewed in January 2017, according to the Program Administrators.

¹⁴ Motion at 4.

¹⁵ Motion at 3-4.

would be issued no later than November 15, 2019 for Cycle 1 Projects¹⁶ and no later than October 30, 2019 for Cycle 2 Projects.¹⁷

We find the buyout proposal reasonable because it provides certainty to the market and addresses all existing customers in a fair and similar manner. The buyout proposal is adopted.

2.3. Unused or Unencumbered Funds

The Motion requests that the Commission authorize the Program Administrators to transfer any unused or unencumbered funds remaining in the CSI General Market Program after the end date of December 31, 2019 to the CSI Program's low-income residential housing programs.¹⁸ These low-income programs have an end date of December 31, 2021.¹⁹ However, we anticipate their funding to be fully reserved well in advance of the end date. As such, in order to identify remaining funds, if any, for the purposes of reducing the Program Administrators' portion of the total amount collected for funding CSI low-income programs, pursuant to § 2851(f), we request that the Program Administrators submit by joint advice letter filing a summary of all unencumbered and unused funds in the CSI General Market Budget, broken down by line item.

¹⁶ Cycle 1 projects receive an incentive for kilowatt-hour (kWh) produced between the 1st and the last day of each month. Cycle 1 Projects will be bought out using all production data up until September 30, 2019.

¹⁷ Cycle 2 projects receive an incentive for kWh produced between the 16th of the first month and the 15th of the second month. Cycle 2 Projects will be bought out using all production data up until September 15, 2019.

¹⁸ Section 2851(f).

¹⁹ Assembly Bill 217.

2.4. Advice Letter Filing

The Program Administrators are directed to file a joint Tier 1 Advice Letter within 45 days of the effective date of this decision to effectuate the end date and related revisions to the CSI General Market Program Handbook adopted herein. The joint Advice Letter should also include the each Program Administrator's summary of all unencumbered and unused funds in the CSI General Market Budget, broken down by line item.

3. Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to § 311(g)(2) and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

4. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Regina M. DeAngelis is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. A uniform end date for the administration of the CSI General Market Program for all Program Administrators will promote efficiency and fairness.
2. The Program Administrators' buyout proposal will promote efficiency and fairness by permitting any existing CSI PBI projects unable meet the 24-month minimum reporting requirement adopted in D.15-12-023 to receive a lump sum buyout 45 days prior to the December 31, 2019 end date.
3. Funding for PBI rebates in the CSI General Market Program is expected to be fully reserved before December 31, 2016. To identify remaining funds, if any, for the purposes of reducing the Program Administrators' portion of the total amount collected for funding CSI low-income programs, pursuant to § 2851(f),

we request that the Program Administrators submit by joint advice letter filing a summary of all unencumbered and unused funds in the CSI General Market Program Budget, broken down by line item.

4. This Motion is uncontested.

Conclusions of Law

1. Applying the same end date of December 31, 2019 for completing administrative tasks related to the CSI General Market Program to all Program Administrators is adopted and is reasonable because it is based on the Program Administrators' projected date when program administrative funds will run out.
2. The buyout proposal presented by the Program Administrators is adopted and is reasonable because it provides certainty to the market and addresses all existing customers in a fair and similar manner.
3. To verify whether any rebate funds remain unencumbered in the CSI General Market Program on or after December 31, 2016, it is reasonable to require the Program Administrators to file a joint advice letter with data identifying the remaining funds, if any.
4. The August 23, 2016 *Motion of the California Solar Initiative Program Administrators Requesting Approval of Program Closure Date for the California Solar Initiative General Market Program* by the Program Administrators, Pacific Gas and Electric Company, Southern California Edison Company, and Center for Sustainable Energy, is granted as set forth herein.
5. Pursuant to § 311(g)(2) and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived because this is an uncontested matter.

O R D E R

IT IS ORDERED that:

1. The Program Administrators (Pacific Gas and Electric Company, Southern California Edison Company, and Center for Sustainable Energy), are directed to file a joint Tier 1 Advice Letter within 45 days of the effective date of this decision to effectuate the end date of December 31, 2019, the buyout proposal, and related revisions to the California Solar Initiative General Market Program adopted herein.

2. To identify remaining funds in the California Solar Initiative (CSI) General Market Program Budget, if any, for the purposes of reducing the Program Administrators' portion of the total amount collected for funding CSI low-income programs, pursuant to § 2851(f), the Program Administrators (Pacific Gas and Electric Company, Southern California Edison Company, and Center for Sustainable Energy), shall submit a joint Tier 1 Advice Letter within 45 days of the effective date of this decision with a summary of all unencumbered and unused funds in the CSI General Market Program Budget, broken down by line item.

3. The August 23, 2016 *Motion of the California Solar Initiative Program Administrators Requesting Approval of Program Closure Date for the California Solar Initiative General Market Program* by the Program Administrators (Pacific Gas and Electric Company, Southern California Edison Company, and Center for Sustainable Energy), is granted as set forth herein.

4. Rulemaking 12-11-005 remains open.

This order is effective today.

Dated December 15, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners